

Closing Out My APD

Moving Beyond Certification

a presentation by the Office of Child Support Enforcement



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Today's Guests

- Steve Schiffelbein , Kansas
- Marie Theisen, Iowa
- Curtis Rose, Colorado
- Joe Bodmer, OCSE in Washington, DC

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Introduction

- Many States are approaching or have achieved certification of their ACSES.
- Many States have entered routine maintenance mode.
- State staffs have begun asking questions about the need for and purpose of APD's after system certification.

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- State staffs also asked about the content and format requirements of APD's for their systems now that they were entering or were in an Operations and Maintenance (O&M) mode.
- The advent of APD Reform the last two years has moved a number of Federal agencies to revisit the APD process.

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■ Closeout APD - Catalyst For Change

- ✓ Historically, Closeout APD use is rare.
- ✓ Most States in CSE had never seen the need for or used a Closeout APD.
- ✓ Other major Federally-funded programs have similar experiences with Closeout APD's – limited use and need.
- ✓ With States now getting certified, queries have arisen as to Closeout of an APD.

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■ Closeout APD - Catalyst For Change

- ✓ Result was the need to create policy and process based on existing regulation and guidance.
- ✓ In addition, we looked for related impacts that could provide opportunities for positive change – and we found one: the *“once enhanced, always enhanced”* FFP definition for APD’s can now be eliminated in certain cases.

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■ Considering Closing-out Your APD ?

- ✓ What is a “Closeout” APD ?
- ✓ Factors affecting whether to Closeout an APD.
- ✓ Format for a Closeout APD.
- ✓ Why Would A State Keep an APD open ?
- ✓ A policy change – “once enhanced, always enhanced” is going away.

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■ What is a “Closeout” APD ?

- ✓ The Closeout APD represents the last APD required to fully and finally describe all past project activities, cost, benefits, and functional-compliance with Federal certification requirements (PRWORA and FSA88), and with regulatory requirements for Federal funding.

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■ What is a “Closeout” APD ?

- ✓ All informational requirements for a fully approvable, ongoing ACSES project APD must also be included in the project’s final “Closeout” APD.
- ✓ There are some exceptions.

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■ When Can I Close My APD ?

✓ **There are three factors:**

- Whether the State's ACSES is fully and unconditionally certified.
- Whether there are any outstanding, software development or significant procurement actions yet to be done.
- Whether the ACSES cost-benefit analysis has achieved "break-even".

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■ When Can I Close My APD ?

✓ Factor One: ACSES Certification

- The ACSES must be fully and unconditionally certified.
- Conditional certification does not meet the necessary standard.
- Management findings (versus certification findings) will in most instances ***not*** prohibit APD Closeout.

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■ When Can I Close My APD ?

✓ Factor Two: Outstanding Work

- Outstanding software development projects, modules, or other activities.
- Outstanding procurement actions.
- Either of the above will prevent approval of a State's request to Closeout it's APD.

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■ When Can I Close My APD ?

✓ Factor Three: CBA Breakeven

- The State's cost-benefit analysis must show a breakeven or a positive benefits to cost ratio.
- OCSE must and will verify the CBA's accuracy prior to approval of the Closeout APD.

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■ What's A Significant Software Development Effort ?

- ✓ A significant application development takes on three basic characteristics:
 - ✓ Level of effort
 - ✓ Cost
 - ✓ Risk

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■ What's A Significant Software Development Effort ?

- ✓ **Types of significant application development efforts include:**
 - ✓ replacement of an ACSES distribution or enforcement module.
 - ✓ development of a graphical user interface (GUI) front-end to the ACSES.
 - ✓ replacement of the database from a heirarchical to a relational model.

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■ What's A Significant Software Development Effort ?

- ✓ **Types of significant application development efforts include:**
 - ✓ outstanding Federal PRWORA or FSA88 certification findings not yet found to be unconditionally certifiable.
 - ✓ data warehousing.
 - ✓ migration from a mainframe-based platform to a client-server platform.

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■ What's **Not** A Significant Software Development Effort ?

- ✓ Types of development efforts **NOT** considered significant:
 - ✓ routine maintenance activities, e.g., creating new reports, limited data element changes, minor changes to data entry screens.
 - ✓ upgrades to the ACSES hardware and/or COTS.

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■ What's A Significant Procurement Effort ?

- ✓ **Types of procurement efforts that are considered significant:**
 - ✓ prime contractor to perform ongoing ACSES maintenance over multiple years.
 - ✓ major mainframe or other hardware and software or network upgrade.
 - ✓ An outstanding, unresolved, "reconsideration request" filed with ACF/OCSE in accordance with OSSP-00-01.

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■ Closeout APD Format

✓ What's different from an AAPDU ?

- Content is essentially the same as that for any AAPDU.
- OCSE must be able to determine that all Closeout criteria have been met.
- For APD sections that didn't change from an APD in last three years, a reference to that APD, by section and page number(s) will suffice.

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■ Closeout APD Format

- ✓ **Every AAPDU section is needed**
- ✓ **Executive Summary:** Optional.
- ✓ **Project Management Plan:** Required (*Tasks, Schedule, Resources*).
- ✓ **Budget:** Required (*include all costs from planning to certification*).
- ✓ **Cost/Benefit Analysis:** Required (*Revenue Stream Model*).
- ✓ **All Other Sections:** Required if changed *if unchanged, make reference to appropriate APD (Security, Interfaces, Project Organization and Charts)* .

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■ Closeout APD Format

✓ A Few Clarifications

- Project Management Plan needs to meet specifications in OCSE's APD Guidance.
- Budget *MUST* specify all past, present and expended ACSES project cost from planning through O&M. The budget is the last summarization of the project's cost information and basically serves as the final cost reconciliation.

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■ Closeout APD Format

✓ A Few Clarifications (*cont'd*)

- The cost-benefit analysis must be complete, thorough, and show a breakeven or positive benefit to cost ratio.
- Thoroughness includes spreadsheets or other methodologies for every year of the project's and system's lifecycle, and includes all costs from planning through O&M.

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■ Why Keep My APD Open?

- ✓ Systems never stay static. New enhancements, new technologies, new designs for the system are always being conceived.
- ✓ Technology updates are always being pursued, if for no other reason than to retain an affordably maintainable system (staff, COTS, hardware).
- ✓ However, new user interfaces, new databases, new programming languages are rarely cheap.

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■ Why Keep My APD Open ?

- ✓ The threshold for having to submit a new IAPD is \$5 Million dollars. A low threshold by today's system acquisition standards.
- ✓ By keeping the APD open, your State can use the still accruing benefits attributable to the current ACSES to ***“pay for”*** the new enhancements to the system.
- ✓ Keeping the APD open also eases the paperwork required to create a new CBA from scratch.

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■ Can We Keep Our APD Open?

- ✓ Yes, in almost all instances a State can choose to keep their annually updated APD for the ACSES project open. The exception is:

- A “***new***” or “***replacement***” system project will require a full planning phase, including a new feasibility study with alternatives analyses and a cost-benefits analysis for each alternative.

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- **Oops ! We Closed Our APD !**

- ✓ **Yes, the APD that a State closes can be reopened within two years (24 months) of it's closure.**

(Just in case the new administration comes in and decides to change direction)

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- **“If Our State Only Has M&O Left, But It Exceeds \$5 Million Per Year, Must We Still Do APD’s ?”**
 - ✓ **Once the state achieves breakeven or positive benefits to cost ratio, the State can close the APD (per 45 CFR 95.605).**

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■ **A Policy Change – “Once Enhanced, Always Enhanced” Is Going Away**

- ✓ The “once an enhanced project, always an enhanced project” concept now has a terminus, even if the APD is kept open.
- ✓ Once a state is certified for meeting PRWORA automation requirements, acquisition and APD threshold rates for regular rate FFP projects will apply. (\$5 Million versus \$100,000)

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Now Some

Questions

- Steve Schiffelbein , Kansas
- Marie Theisen, Iowa
- Curtis Rose, Colorado

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- 1. What factors helped in your decision to Closeout your APDU process?

IA and KS

- 2. What factors helped in your decision to keep the APDU process open?

CO

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- 3. Were you reminded of the prior approval requirements (45 CFR Part 95.611) for future acquisitions of ADP equipment and services when you considered Closeout? Did the revised “Enhanced funding policy” have any impact on your decision?

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- 4. Although management findings are not a factor to prohibit ADPU Closeout, did you complete the management findings?

IA and KS

5. Within what timeframe did you feel it was necessary to complete the management finding?

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- 6. Did you follow the guidelines for update/revision pages? Did you reference, from an APD in the last three years, section and page numbers that did not change?

KS

- 7. As a follow-on question, have you found the information in the AT useful as you work to annually update your APD?

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- 8. Was it difficult to use the functional model as opposed to the revenue stream model? Did you breakeven?

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- 9. Did you find your breakeven using the revenue stream model? Did you find the revenue stream model easier to use (even if you didn't Closeout your APD)? Is it still?

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- 10. Did you find it a hard sell to convince senior management that the right course of action was to keep the APD open?

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- 11. Any rumblings today in upper management or out in the trenches about building a new system? If so, any second thoughts about having closed your APD out?

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Audience Questions

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Thanks to Our

Guests

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